

SHB 1906 - H AMD 9

By Representative Anderson

SCOPE AND OBJECT 2/06/2009

1 Strike everything after the enacting clause and insert the
2 following:

3 **"PART I - BENEFITS**

4
5 **Sec. 1.** RCW 50.04.030 and 1991 c 117 s 1 are each amended to read
6 as follows:

7 ELIGIBILITY. "Benefit year" with respect to each individual,
8 means the fifty-two consecutive week period beginning with the first
9 day of the calendar week in which the individual files an application
10 for an initial determination and thereafter the fifty-two consecutive
11 week period beginning with the first day of the calendar week in which
12 the individual next files an application for an initial determination
13 after the expiration of the individual's last preceding benefit year:
14 PROVIDED, HOWEVER, That the foregoing limitation shall not be deemed
15 to preclude the establishment of a new benefit year under the laws of
16 another state pursuant to any agreement providing for the interstate
17 combining of employment and wages and the interstate payment of
18 benefits nor shall this limitation be deemed to preclude the
19 commissioner from backdating an initial application at the request of
20 the claimant either for the convenience of the department of
21 employment security or for any other reason deemed by the commissioner
22 to be good cause.

23 An individual's benefit year shall be extended to be fifty-three
24 weeks when at the expiration of fifty-two weeks the establishment of a
25 new benefit year would result in the use of a quarter of wages in the
26 new base year that had been included in the individual's prior base
27 year.

1 Before July 4, 2010, no benefit year will be established unless it
2 is determined that the individual earned wages in "employment" in not
3 less than six hundred eighty hours of the individual's base year. On
4 or after July 4, 2010, no benefit year will be established unless it
5 is determined that the individual earned wages in "employment" in not
6 less than one thousand three hundred hours of the individual's base
7 year. ((:—PROVIDED, HOWEVER, That)) However, a benefit year cannot
8 be established if the base year wages include wages earned prior to
9 the establishment of a prior benefit year unless the individual worked
10 and earned wages since the last separation from employment immediately
11 before the application for initial determination in the previous
12 benefit year if the applicant was an unemployed individual at the time
13 of application, or since the initial separation in the previous
14 benefit year if the applicant was not an unemployed individual at the
15 time of filing an application for initial determination for the
16 previous benefit year, of not less than six times the weekly benefit
17 amount computed for the individual's new benefit year.

18 If an individual's prior benefit year was based on the last four
19 completed calendar quarters, a new benefit year shall not be
20 established until the new base year does not include any hours used in
21 the establishment of the prior benefit year.

22 If the wages of an individual are not based upon a fixed duration
23 of time or if the individual's wages are paid at irregular intervals
24 or in such manner as not to extend regularly over the period of
25 employment, the wages for any week shall be determined in such manner
26 as the commissioner may by regulation prescribe. Such regulation
27 shall, so far as possible, secure results reasonably similar to those
28 which would prevail if the individual were paid his or her wages at
29 regular intervals.

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32 **Sec. 2.** RCW 50.04.310 and 2007 c 146 s 5 are each amended to read
33 as follows:

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1 CORPORATE OFFICER ELIGIBILITY. (1) An individual is "unemployed"
2 in any week during which the individual performs no services and with
3 respect to which no remuneration is payable to the individual, or in
4 any week of less than full time work, if the remuneration payable to
5 the individual with respect to such week is less than one and one-
6 third times the individual's weekly benefit amount plus five dollars.
7 The commissioner shall prescribe regulations applicable to unemployed
8 individuals making such distinctions in the procedures as to such
9 types of unemployment as the commissioner deems necessary.

10 (2) An individual is not "unemployed" during any week which falls
11 totally within a period during which the individual, pursuant to a
12 collective bargaining agreement or individual employment contract, is
13 employed full time in accordance with a definition of full time
14 contained in the agreement or contract, and for which compensation for
15 full time work is payable. This subsection may not be applied
16 retroactively to an individual who had no guarantee of work at the
17 start of such period and subsequently is provided additional work by
18 the employer.

19 (3)(a) An officer of a corporation who owns ten percent or more of
20 the outstanding stock of the corporation, or a corporate officer who
21 is a family member of an officer who owns ten percent or more of the
22 outstanding stock of the corporation, whose claim for benefits is
23 based on any wages with that corporation, is:

24 ~~((a))~~ (i) Not "unemployed" in any week during the individual's
25 term of office or ownership in the corporation, even if wages are not
26 being paid;

27 ~~((b))~~ (ii) "Unemployed" in any week upon dissolution of the
28 corporation or if the officer permanently resigns or is permanently
29 removed from their appointment and responsibilities with that
30 corporation in accordance with its articles of incorporation or
31 bylaws.

32 (b) This subsection does not apply to officers of corporations
33 with annual revenues of less than two million five hundred thousand
34 dollars.

1 (4) As used in this section, "family member" means persons who are
2 members of a family by blood or marriage as parents, stepparents,
3 grandparents, spouses, children, brothers, sisters, stepchildren,
4 adopted children, or grandchildren.

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6 **Sec. 3.** RCW 50.20.099 and 2000 c 2 s 10 are each amended to read
7 as follows:

8 VERIFICATION. (1) To ensure that unemployment insurance benefits
9 are paid in accordance with RCW 50.20.098, the employment security
10 department shall verify that an individual is eligible to work in the
11 United States and has a social security account number before the
12 individual receives (~~(training)~~) unemployment benefits under (~~(RCW~~
13 ~~50.22.150)~~) this title. The department may use the e-verify program
14 administered by the United States citizenship and immigration services
15 for this purpose.

16 (2) By July 1, 2002, the employment security department shall:
17 (a) Develop and implement an effective method for determining,
18 where appropriate, eligibility to work in the United States for
19 individuals applying for unemployment benefits under this title;
20 (b) Review verification systems developed by federal agencies for
21 verifying a person's eligibility to receive unemployment benefits
22 under this title and evaluate the effectiveness of these systems for
23 use in this state; and
24 (c) Report its initial findings to the legislature by September 1,
25 2000, and its final report by July 1, 2002.

26 (3) Where federal law prohibits the conditioning of unemployment
27 benefits on a verification of an individual's status as a qualified or
28 authorized alien, the requirements of this section shall not apply.

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31 **Sec. 4.** RCW 50.20.050 and 2008 c 323 s 1 are each amended to read
32 as follows:

33 LEAVING WORK VOLUNTARILY. (1) With respect to claims that have an
34 effective date before January 4, 2004:

1 (a) An individual shall be disqualified from benefits beginning
2 with the first day of the calendar week in which he or she has left
3 work voluntarily without good cause and thereafter for seven calendar
4 weeks and until he or she has obtained bona fide work in employment
5 covered by this title and earned wages in that employment equal to
6 seven times his or her weekly benefit amount.

7 The disqualification shall continue if the work obtained is a mere
8 sham to qualify for benefits and is not bona fide work. In
9 determining whether work is of a bona fide nature, the commissioner
10 shall consider factors including but not limited to the following:

11 (i) The duration of the work;

12 (ii) The extent of direction and control by the employer over the
13 work; and

14 (iii) The level of skill required for the work in light of the
15 individual's training and experience.

16 (b) An individual shall not be considered to have left work
17 voluntarily without good cause when:

18 (i) He or she has left work to accept a bona fide offer of bona
19 fide work as described in (a) of this subsection;

20 (ii) The separation was because of the illness or disability of
21 the claimant or the death, illness, or disability of a member of the
22 claimant's immediate family if the claimant took all reasonable
23 precautions, in accordance with any regulations that the commissioner
24 may prescribe, to protect his or her employment status by having
25 promptly notified the employer of the reason for the absence and by
26 having promptly requested reemployment when again able to assume
27 employment: PROVIDED, That these precautions need not have been taken
28 when they would have been a futile act, including those instances when
29 the futility of the act was a result of a recognized labor/management
30 dispatch system;

31 (iii) He or she has left work to relocate for the spouse's
32 employment that is due to an employer-initiated mandatory transfer
33 that is outside the existing labor market area if the claimant
34 remained employed as long as was reasonable prior to the move; or

1 (iv) The separation was necessary to protect the claimant or the
2 claimant's immediate family members from domestic violence, as defined
3 in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110.

4 (c) In determining under this subsection whether an individual has
5 left work voluntarily without good cause, the commissioner shall only
6 consider work-connected factors such as the degree of risk involved to
7 the individual's health, safety, and morals, the individual's physical
8 fitness for the work, the individual's ability to perform the work,
9 and such other work connected factors as the commissioner may deem
10 pertinent, including state and national emergencies. Good cause shall
11 not be established for voluntarily leaving work because of its
12 distance from an individual's residence where the distance was known
13 to the individual at the time he or she accepted the employment and
14 where, in the judgment of the department, the distance is customarily
15 traveled by workers in the individual's job classification and labor
16 market, nor because of any other significant work factor which was
17 generally known and present at the time he or she accepted employment,
18 unless the related circumstances have so changed as to amount to a
19 substantial involuntary deterioration of the work factor or unless the
20 commissioner determines that other related circumstances would work an
21 unreasonable hardship on the individual were he or she required to
22 continue in the employment.

23 (d) Subsection (1)(a) and (c) of this section shall not apply to
24 an individual whose marital status or domestic responsibilities cause
25 him or her to leave employment. Such an individual shall not be
26 eligible for unemployment insurance benefits beginning with the first
27 day of the calendar week in which he or she left work and thereafter
28 for seven calendar weeks and until he or she has requalified, either
29 by obtaining bona fide work in employment covered by this title and
30 earning wages in that employment equal to seven times his or her
31 weekly benefit amount or by reporting in person to the department
32 during ten different calendar weeks and certifying on each occasion
33 that he or she is ready, able, and willing to immediately accept any
34 suitable work which may be offered, is actively seeking work pursuant

1 to customary trade practices, and is utilizing such employment
2 counseling and placement services as are available through the
3 department. This subsection does not apply to individuals covered by
4 (b)(ii) or (iii) of this subsection.

5 (2) With respect to claims that have an effective date on or after
6 January 4, 2004, and before July 4, 2010:

7 (a) An individual shall be disqualified from benefits beginning
8 with the first day of the calendar week in which he or she has left
9 work voluntarily without good cause and thereafter for seven calendar
10 weeks and until he or she has obtained bona fide work in employment
11 covered by this title and earned wages in that employment equal to
12 seven times his or her weekly benefit amount.

13 The disqualification shall continue if the work obtained is a mere
14 sham to qualify for benefits and is not bona fide work. In
15 determining whether work is of a bona fide nature, the commissioner
16 shall consider factors including but not limited to the following:

17 (i) The duration of the work;

18 (ii) The extent of direction and control by the employer over the
19 work; and

20 (iii) The level of skill required for the work in light of the
21 individual's training and experience.

22 (b) An individual is not disqualified from benefits under (a) of
23 this subsection when:

24 (i) He or she has left work to accept a bona fide offer of bona
25 fide work as described in (a) of this subsection;

26 (ii) The separation was necessary because of the illness or
27 disability of the claimant or the death, illness, or disability of a
28 member of the claimant's immediate family if:

29 (A) The claimant pursued all reasonable alternatives to preserve
30 his or her employment status by requesting a leave of absence, by
31 having promptly notified the employer of the reason for the absence,
32 and by having promptly requested reemployment when again able to
33 assume employment. These alternatives need not be pursued, however,
34 when they would have been a futile act, including those instances when

1 the futility of the act was a result of a recognized labor/management
2 dispatch system; and

3 (B) The claimant terminated his or her employment status, and is
4 not entitled to be reinstated to the same position or a comparable or
5 similar position;

6 (iii)(A) With respect to claims that have an effective date before
7 July 2, 2006, he or she: (I) Left work to relocate for the spouse's
8 employment that, due to a mandatory military transfer: (1) Is outside
9 the existing labor market area; and (2) is in Washington or another
10 state that, pursuant to statute, does not consider such an individual
11 to have left work voluntarily without good cause; and (II) remained
12 employed as long as was reasonable prior to the move;

13 (B) With respect to claims that have an effective date on or after
14 July 2, 2006, and before July 4, 2010, he or she: (I) Left work to
15 relocate for the spouse's employment that, due to a mandatory military
16 transfer, is outside the existing labor market area; and (II) remained
17 employed as long as was reasonable prior to the move;

18 (iv) The separation was necessary to protect the claimant or the
19 claimant's immediate family members from domestic violence, as defined
20 in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110;

21 (v) The individual's usual compensation was reduced by twenty-five
22 percent or more;

23 (vi) The individual's usual hours were reduced by twenty-five
24 percent or more;

25 (vii) The individual's worksite changed, such change caused a
26 material increase in distance or difficulty of travel, and, after the
27 change, the commute was greater than is customary for workers in the
28 individual's job classification and labor market;

29 (viii) The individual's worksite safety deteriorated, the
30 individual reported such safety deterioration to the employer, and the
31 employer failed to correct the hazards within a reasonable period of
32 time;

33 (ix) The individual left work because of illegal activities in the
34 individual's worksite, the individual reported such activities to the

1 employer, and the employer failed to end such activities within a
2 reasonable period of time;

3 (x) The individual's usual work was changed to work that violates
4 the individual's religious convictions or sincere moral beliefs; or

5 (xi) The individual left work to enter an apprenticeship program
6 approved by the Washington state apprenticeship training council.
7 Benefits are payable beginning Sunday of the week prior to the week in
8 which the individual begins active participation in the apprenticeship
9 program.

10 (3) With respect to claims that have an effective date on or after
11 July 4, 2010, an individual shall be disqualified from benefits
12 beginning with the first day of the calendar week in which he or she
13 has left work voluntarily and thereafter for seven calendar weeks and
14 until he or she has obtained bona fide work in employment covered by
15 this title and earned wages in that employment equal to seven times
16 his or her weekly benefit amount.

17 The disqualification shall continue if the work obtained is a mere
18 sham to qualify for benefits and is not bona fide work. In
19 determining whether work is of a bona fide nature, the commissioner
20 shall consider factors including but not limited to the following: (a)
21 The duration of the work; (b) the extent of direction and control by
22 the employer over the work; and (c) the level of skill required for
23 the work in light of the individual's training and experience.

24
25 **Sec. 5.** RCW 50.20.066 and 2006 c 13 s 13 are each amended to read
26 as follows:

27 GROSS MISCONDUCT. With respect to claims that have an effective
28 date on or after January 4, 2004:

29 (1) An individual shall be disqualified from benefits beginning
30 with the first day of the calendar week in which he or she has been
31 discharged or suspended for misconduct connected with his or her work
32 and thereafter for ten calendar weeks and until he or she has obtained
33 bona fide work in employment covered by this title and earned wages in
34 that employment equal to ten times his or her weekly benefit amount.

1 Alcoholism shall not constitute a defense to disqualification from
2 benefits due to misconduct.

3 (2)(a) With respect to claims that have an effective date on or
4 after January 4, 2004, and before July 4, 2010, an individual who has
5 been discharged from his or her work because of gross misconduct shall
6 have all hourly wage credits based on that employment or six hundred
7 eighty hours of wage credits, whichever is greater, canceled.

8 (b) With respect to claims that have an effective date on or after
9 July 4, 2010, an individual who has been discharged from his or her
10 work because of gross misconduct shall have all hourly wage credits
11 based on that employment or one thousand three hundred hours of wage
12 credits, whichever is greater, canceled.

13 (3) The employer shall notify the department of a felony or gross
14 misdemeanor of which an individual has been convicted, or has admitted
15 committing to a competent authority, not later than six months
16 following the admission or conviction.

17 (4) The claimant shall disclose any conviction of the claimant of
18 a work-connected felony or gross misdemeanor occurring in the previous
19 two years to the department at the time of application for benefits.

20 (5) All benefits that are paid in error based on this section are
21 recoverable, notwithstanding RCW 50.20.190 or 50.24.020 or any other
22 provisions of this title.

23
24 **Sec. 6.** RCW 50.20.120 and 2006 c 13 s 1 are each amended to read
25 as follows:

26 BENEFIT AMOUNTS. (1)(a) Subject to the other provisions of this
27 title, benefits shall be payable to any eligible individual during the
28 individual's benefit year in a maximum amount equal to the lesser of
29 thirty times the weekly benefit amount, as determined in subsection
30 (2) of this section, or one-third of the individual's base year wages
31 under this title: PROVIDED, That as to any week which falls in an
32 extended benefit period as defined in RCW 50.22.010(1), an
33 individual's eligibility for maximum benefits in excess of twenty-six
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1 times his or her weekly benefit amount will be subject to the terms
2 and conditions set forth in RCW 50.22.020.

3 (b) With respect to claims that have an effective date on or after
4 the first Sunday of the calendar month immediately following the month
5 in which the commissioner finds that the state unemployment rate is
6 six and eight-tenths percent or less and before July 4, 2010, benefits
7 shall be payable to any eligible individual during the individual's
8 benefit year in a maximum amount equal to the lesser of twenty-six
9 times the weekly benefit amount, as determined in subsection (2) of
10 this section, or one-third of the individual's base year wages under
11 this title.

12 (c) With respect to claims that have an effective date on or after
13 July 4, 2010, benefits shall be payable to any eligible individual
14 during the individual's benefit year in a maximum amount equal to one-
15 third of the individual's base year wages. In no case shall benefits
16 paid during the individual's benefit year be more than fifty thousand
17 dollars.

18 (2)(a) For claims with an effective date before January 4, 2004,
19 an individual's weekly benefit amount shall be an amount equal to one
20 twenty-fifth of the average quarterly wages of the individual's total
21 wages during the two quarters of the individual's base year in which
22 such total wages were highest.

23 (b) With respect to claims with an effective date on or after
24 January 4, 2004, and before January 2, 2005, an individual's weekly
25 benefit amount shall be an amount equal to one twenty-fifth of the
26 average quarterly wages of the individual's total wages during the
27 three quarters of the individual's base year in which such total wages
28 were highest.

29 (c)(i) With respect to claims with an effective date on or after
30 January 2, 2005, except as provided in (c)(ii) of this subsection, an
31 individual's weekly benefit amount shall be an amount equal to one
32 percent of the total wages paid in the individual's base year.

33 (ii) With respect to claims with an effective date on or after the
34 first Sunday following April 22, 2005, and before July 4, 2010, an

1 individual's weekly benefit amount shall be an amount equal to three
2 and eighty-five one-hundredths percent of the average quarterly wages
3 of the individual's total wages during the two quarters of the
4 individual's base year in which such total wages were highest.

5 (d) With respect to claims with an effective date on or after July
6 4, 2010, an individual's weekly benefit amount shall be as follows:

7 (i) During the first nine weeks of benefits, the weekly benefit
8 amount shall be an amount equal to five percent of the average
9 quarterly wages of the individual's total wages during the two
10 quarters of the individual's base year in which such total wages were
11 highest.

12 (ii) During the nine weeks of benefits following the nine weeks of
13 benefits subject to (d)(i) of this subsection, the weekly benefit
14 amount shall be an amount equal to three percent of the average
15 quarterly wages of the individual's total wages during the two
16 quarters of the individual's base year in which such total wages were
17 highest.

18 (ii) During the remaining eight weeks of benefits, the weekly
19 benefit amount shall be an amount equal to one percent of the average
20 quarterly wages of the individual's total wages during the two
21 quarters of the individual's base year in which such total wages were
22 highest.

23 (3) The maximum and minimum amounts payable weekly shall be
24 determined as of each June 30th to apply to benefit years beginning in
25 the twelve-month period immediately following such June 30th.

26 (a)(i) With respect to claims that have an effective date before
27 January 4, 2004, the maximum amount payable weekly shall be seventy
28 percent of the "average weekly wage" for the calendar year preceding
29 such June 30th.

30 (ii) With respect to claims that have an effective date on or
31 after January 4, 2004, and before July 4, 2010, the maximum amount
32 payable weekly shall be either four hundred ninety-six dollars or
33 sixty-three percent of the "average weekly wage" for the calendar year
34 preceding such June 30th, whichever is greater.

1 (iii) With respect to claims that have an effective date on or
2 after July 4, 2010, the maximum amount payable weekly shall be: (A)
3 One thousand eight hundred seventy-five dollars during the first nine
4 weeks of benefits; (B) one thousand one hundred twenty-five dollars
5 during the nine weeks of benefits following the nine weeks of benefits
6 subject to subsection (2)(d)(i) of this section; and (C) three hundred
7 seventy-five dollars during the remaining eight weeks of benefits.

8 (b)(i) With respect to claims that have an effective date before
9 July 4, 2010, the minimum amount payable weekly shall be fifteen
10 percent of the "average weekly wage" for the calendar year preceding
11 such June 30th.

12 (ii) With respect to claims that have an effective date on or
13 after July 4, 2010, the minimum amount payable weekly shall be one
14 hundred twenty-five percent of the federal poverty level as adjusted
15 for family size and determined annually by the federal department of
16 health and human services.

17 (4) If any weekly benefit, maximum benefit, or minimum benefit
18 amount computed herein is not a multiple of one dollar, it shall be
19 reduced to the next lower multiple of one dollar.

20
21 **Sec. 7.** RCW 50.22.150 and 2002 c 149 s 2 are each amended to read
22 as follows:

23 TRAINING BENEFITS PROGRAM. (1) Subject to availability of funds,
24 training benefits are available for an individual who is eligible for
25 or has exhausted entitlement to unemployment compensation benefits and
26 who:

27 (a) Is a dislocated worker as defined in RCW 50.04.075;

28 (b) Except as provided under subsection (2) of this section, has
29 demonstrated, through a work history, sufficient tenure in an
30 occupation or in work with a particular skill set. This screening
31 will take place during the assessment process;

32 (c) Is, after assessment of demand for the individual's occupation
33 or skills in the individual's labor market, determined to need job-
34 related training to find suitable employment in his or her labor

1 market. Beginning July 1, 2001, the assessment of demand for the
2 individual's occupation or skill sets must be substantially based on
3 declining occupation or skill sets identified in local labor market
4 areas by the local workforce development councils, in cooperation with
5 the employment security department and its labor market information
6 division, under subsection (10) of this section;

7 (d) Develops an individual training program that is submitted to
8 the commissioner for approval within (~~sixty~~) ninety days after the
9 individual is notified by the employment security department of the
10 requirements of this section;

11 (e) Enters the approved training program (~~by ninety days after~~
12 ~~the date of the notification, unless the employment security~~
13 ~~department determines that the training is not available during the~~
14 ~~ninety day period, in which case the individual enters training~~) as
15 soon as it is available, but not later than the academic term
16 beginning after the commissioner approves the individual training
17 plan; and

18 (f) Is enrolled in training approved under this section on a full-
19 time basis as determined by the educational institution, and is making
20 satisfactory progress in the training as certified by the educational
21 institution.

22 (2) Until June 30, 2002, the following individuals who meet the
23 requirements of subsection (1) of this section may, without regard to
24 the tenure requirements under subsection (1)(b) of this section,
25 receive training benefits as provided in this section:

26 (a) An exhaustee who has base year employment in the aerospace
27 industry assigned the standard industrial classification code "372" or
28 the North American industry classification system code "336411";

29 (b) An exhaustee who has base year employment in the forest
30 products industry, determined by the department, but including the
31 industries assigned the major group standard industrial classification
32 codes "24" and "26" or any equivalent codes in the North American
33 industry classification system code, and the industries involved in
34 the harvesting and management of logs, transportation of logs and wood

1 products, processing of wood products, and the manufacturing and
2 distribution of wood processing and logging equipment; or

3 (c) An exhaustee who has base year employment in the fishing
4 industry assigned the standard industrial classification code "0912"
5 or any equivalent codes in the North American industry classification
6 system code.

7 (3) An individual is not eligible for training benefits under this
8 section if he or she:

9 (a) Is a standby claimant who expects recall to his or her regular
10 employer;

11 (b) Has a definite recall date that is within six months of the
12 date he or she is laid off; or

13 (c) Is unemployed due to a regular seasonal layoff (~~which~~
14 ~~demonstrates a pattern of unemployment consistent with the provisions~~
15 ~~of RCW 50.20.015)). Regular seasonal layoff does not include layoff~~
16 due to permanent structural downsizing or structural changes in the
17 individual's labor market.

18 (4) The definitions in this subsection apply throughout this
19 section unless the context clearly requires otherwise.

20 (a) "Educational institution" means an institution of higher
21 education as defined in RCW 28B.10.016 or an educational institution
22 as defined in RCW 28C.04.410, including equivalent educational
23 institutions in other states.

24 (b) "Sufficient tenure" means earning a plurality of wages in a
25 particular occupation or using a particular skill set during the base
26 year and at least two of the four twelve-month periods immediately
27 preceding the base year.

28 (c) "Training benefits" means additional benefits paid under this
29 section.

30 (d) "Training program" means:

31 (i) An education program determined to be necessary as a
32 prerequisite to vocational training after counseling at the
33 educational institution in which the individual enrolls under his or
34 her approved training program; or

1 (ii) A vocational training program at an educational institution:

2 (A) That is targeted to training for a high demand occupation.
3 Beginning July 1, 2001, the assessment of high demand occupations
4 authorized for training under this section must be substantially based
5 on labor market and employment information developed by local
6 workforce development councils, in cooperation with the employment
7 security department and its labor market information division, under
8 subsection (10) of this section;

9 (B) That is likely to enhance the individual's marketable skills
10 and earning power; and

11 (C) That meets the criteria for performance developed by the
12 workforce training and education coordinating board for the purpose of
13 determining those training programs eligible for funding under Title I
14 of P.L. 105-220.

15 "Training program" does not include any course of education
16 primarily intended to meet the requirements of a baccalaureate or
17 higher degree, unless the training meets specific requirements for
18 certification, licensing, or for specific skills necessary for the
19 occupation.

20 (5) Benefits shall be paid as follows:

21 (a)(i) Except as provided in (a)(iii) of this subsection, for
22 exhaustees who are eligible under subsection (1) of this section, the
23 total training benefit amount shall be fifty-two times the
24 individual's weekly benefit amount, reduced by the total amount of
25 regular benefits and extended benefits paid, or deemed paid, with
26 respect to the benefit year; or

27 (ii) For exhaustees who are eligible under subsection (2) of this
28 section, for claims filed before June 30, 2002, the total training
29 benefit amount shall be seventy-four times the individual's weekly
30 benefit amount, reduced by the total amount of regular benefits and
31 extended benefits paid, or deemed paid, with respect to the benefit
32 year; or

33 (iii) For exhaustees eligible under subsection (1) of this section
34 from industries listed under subsection (2)(a) of this section, for

1 claims filed on or after June 30, 2002, but before January 5, 2003,
2 the total training benefit amount shall be seventy-four times the
3 individual's weekly benefit amount, reduced by the total amount of
4 regular benefits and extended benefits paid, or deemed paid, with
5 respect to the benefit year.

6 (b) The weekly benefit amount shall be the same as the regular
7 weekly amount payable during the applicable benefit year and shall be
8 paid under the same terms and conditions as regular benefits. The
9 training benefits shall be paid before any extended benefits but not
10 before any similar federally funded program.

11 (c) Training benefits are not payable for weeks more than two
12 years beyond the end of the benefit year of the regular claim.

13 (6) The requirement under RCW 50.22.010(10) relating to exhausting
14 regular benefits does not apply to an individual otherwise eligible
15 for training benefits under this section when the individual's benefit
16 year ends before his or her training benefits are exhausted and the
17 individual is eligible for a new benefit year. These individuals will
18 have the option of remaining on the original claim or filing a new
19 claim.

20 (7)(a) Except as provided in (b) of this subsection, individuals
21 who receive training benefits under this section or under any previous
22 additional benefits program for training are not eligible for training
23 benefits under this section for five years from the last receipt of
24 training benefits under this section or under any previous additional
25 benefits program for training.

26 (b) With respect to claims that are filed before January 5, 2003,
27 an individual in the aerospace industry assigned the standard
28 industrial code "372" or the North American industry classification
29 system code "336411" who received training benefits under this
30 section, and who had been making satisfactory progress in a training
31 program but did not complete the program, is eligible, without regard
32 to the five-year limitation of this section and without regard to the
33 requirement of subsection (1)(b) of this section, if applicable, to
34 receive training benefits under this section in order to complete that

1 training program. The total training benefit amount that applies to
2 the individual is seventy-four times the individual's weekly benefit
3 amount, reduced by the total amount of regular benefits paid, or
4 deemed paid, with respect to the benefit year in which the training
5 program resumed and, if applicable, reduced by the amount of training
6 benefits paid, or deemed paid, with respect to the benefit year in
7 which the training program commenced.

8 (8) An individual eligible to receive a trade readjustment
9 allowance under chapter 2 of Title II of the Trade Act of 1974, as
10 amended, shall not be eligible to receive benefits under this section
11 for each week the individual receives such trade readjustment
12 allowance. An individual eligible to receive emergency unemployment
13 compensation, so called, under any federal law, shall not be eligible
14 to receive benefits under this section for each week the individual
15 receives such compensation.

16 (9) All base year employers are interested parties to the approval
17 of training and the granting of training benefits.

18 (10) By July 1, 2001, each local workforce development council, in
19 cooperation with the employment security department and its labor
20 market information division, must identify occupations and skill sets
21 that are declining and occupations and skill sets that are in high
22 demand. For the purposes of RCW 50.22.130 through 50.22.150 and
23 section 9, chapter 2, Laws of 2000, "high demand" means demand for
24 employment that exceeds the supply of qualified workers for
25 occupations or skill sets in a labor market area. Local workforce
26 development councils must use state and locally developed labor market
27 information. Thereafter, each local workforce development council
28 shall update this information annually or more frequently if needed.

29 (11) The commissioner shall adopt rules as necessary to implement
30 this section.

31

32

PART II - FINANCING

33

34

1 **Sec. 8.** RCW 50.29.021 and 2008 c 323 s 2 are each amended to read
2 as follows:

3 EXPERIENCE RATING. (1) This section applies to benefits charged
4 to the experience rating accounts of employers for claims that have an
5 effective date on or after January 4, 2004.

6 (2)(a) An experience rating account shall be established and
7 maintained for each employer, except employers as described in RCW
8 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make
9 payments in lieu of contributions, taxable local government employers
10 as described in RCW 50.44.035, and those employers who are required to
11 make payments in lieu of contributions, based on existing records of
12 the employment security department.

13 (b) Benefits paid to an eligible individual shall be charged to
14 the experience rating accounts of each of such individual's employers
15 during the individual's base year in the same ratio that the wages
16 paid by each employer to the individual during the base year bear to
17 the wages paid by all employers to that individual during that base
18 year, except as otherwise provided in this section.

19 (c) When the eligible individual's separating employer is a
20 covered contribution paying base year employer, benefits paid to the
21 eligible individual shall be charged to the experience rating account
22 of only the individual's separating employer if the individual
23 qualifies for benefits under:

24 (i) RCW 50.20.050(2)(b)(i), as applicable, and became unemployed
25 after having worked and earned wages in the bona fide work; or

26 (ii) RCW 50.20.050(2)(b) (v) through (x).

27 (3) The legislature finds that certain benefit payments, in whole
28 or in part, should not be charged to the experience rating accounts of
29 employers except those employers described in RCW 50.44.010,
30 50.44.030, and 50.50.030 who have properly elected to make payments in
31 lieu of contributions, taxable local government employers described in
32 RCW 50.44.035, and those employers who are required to make payments
33 in lieu of contributions, as follows:

34

1 (a) Benefits paid to any individual later determined to be
2 ineligible shall not be charged to the experience rating account of
3 any contribution paying employer. However, when a benefit claim
4 becomes invalid due to an amendment or adjustment of a report where
5 the employer failed to report or inaccurately reported hours worked or
6 remuneration paid, or both, all benefits paid will be charged to the
7 experience rating account of the contribution paying employer or
8 employers that originally filed the incomplete or inaccurate report or
9 reports. An employer who reimburses the trust fund for benefits paid
10 to workers and who fails to report or inaccurately reported hours
11 worked or remuneration paid, or both, shall reimburse the trust fund
12 for all benefits paid that are based on the originally filed
13 incomplete or inaccurate report or reports.

14 (b) Benefits paid to an individual filing under the provisions of
15 chapter 50.06 RCW shall not be charged to the experience rating
16 account of any contribution paying employer only if:

17 (i) The individual files under RCW 50.06.020(1) after receiving
18 crime victims' compensation for a disability resulting from a nonwork-
19 related occurrence; or

20 (ii) The individual files under RCW 50.06.020(2).

21 (c) Benefits paid which represent the state's share of benefits
22 payable as extended benefits defined under RCW 50.22.010(6) shall not
23 be charged to the experience rating account of any contribution paying
24 employer.

25 (d) In the case of individuals who requalify for benefits under
26 RCW 50.20.050 or 50.20.060, benefits based on wage credits earned
27 prior to the disqualifying separation shall not be charged to the
28 experience rating account of the contribution paying employer from
29 whom that separation took place.

30 (e) Benefits paid to an individual who qualifies for benefits
31 under RCW 50.20.050(2)(b) (iv) or (xi), as applicable, shall not be
32 charged to the experience rating account of any contribution paying
33 employer.

34

1 (f) With respect to claims with an effective date on or after the
2 first Sunday following April 22, 2005, benefits paid that exceed the
3 benefits that would have been paid if the weekly benefit amount for
4 the claim had been determined as one percent of the total wages paid
5 in the individual's base year shall not be charged to the experience
6 rating account of any contribution paying employer. This subsection
7 does not apply with respect to the calculation of contribution rates
8 for rate year 2010 and thereafter.

9 (4)(a) A contribution paying base year employer, not otherwise
10 eligible for relief of charges for benefits under this section, may
11 receive such relief if the benefit charges result from payment to an
12 individual who:

13 (i) Last left the employ of such employer voluntarily for reasons
14 not attributable to the employer;

15 (ii) Was discharged for misconduct or gross misconduct connected
16 with his or her work not a result of inability to meet the minimum job
17 requirements;

18 (iii) Is unemployed as a result of closure or severe curtailment
19 of operation at the employer's plant, building, worksite, or other
20 facility. This closure must be for reasons directly attributable to a
21 catastrophic occurrence such as fire, flood, or other natural
22 disaster; or

23 (iv) Continues to be employed on a regularly scheduled permanent
24 part-time basis by a base year employer and who at some time during
25 the base year was concurrently employed and subsequently separated
26 from at least one other base year employer. Benefit charge relief
27 ceases when the employment relationship between the employer
28 requesting relief and the claimant is terminated. This subsection
29 does not apply to shared work employers under chapter 50.06 RCW.

30 (b) The employer requesting relief of charges under this
31 subsection must request relief in writing within thirty days following
32 mailing to the last known address of the notification of the valid
33 initial determination of such claim, stating the date and reason for
34 the separation or the circumstances of continued employment. The

1 commissioner, upon investigation of the request, shall determine
2 whether relief should be granted.

3
4 **Sec. 9.** RCW 50.29.025 and 2007 c 51 s 1 are each amended to read
5 as follows:

6 CONTRIBUTION RATES. (1) Except as provided in subsections (2) and
7 (3) of this section, the contribution rate for each employer subject
8 to contributions under RCW 50.24.010 shall be determined under this
9 subsection.

10 (a) A fund balance ratio shall be determined by dividing the
11 balance in the unemployment compensation fund as of the September 30th
12 immediately preceding the rate year by the total remuneration paid by
13 all employers subject to contributions during the second calendar year
14 preceding the rate year and reported to the department by the
15 following March 31st. The division shall be carried to the fourth
16 decimal place with the remaining fraction, if any, disregarded. The
17 fund balance ratio shall be expressed as a percentage.

18 (b) The interval of the fund balance ratio, expressed as a
19 percentage, shall determine which tax schedule in (e) of this
20 subsection shall be in effect for assigning tax rates for the rate
21 year. The intervals for determining the effective tax schedule shall
22 be:

Interval of the Fund Balance Ratio Expressed as a Percentage	Effective Tax Schedule
2.90 and above	AA
2.10 to 2.89	A
1.70 to	B

1	2.09	
2	1.40 to	C
3	1.69	
4	1.00 to	D
5	1.39	
6	0.70 to	E
7	0.99	
8	Less than	F
9	0.70	

10 (c) An array shall be prepared, listing all qualified employers in
11 ascending order of their benefit ratios. The array shall show for
12 each qualified employer: (i) Identification number; (ii) benefit
13 ratio; (iii) taxable payrolls for the four calendar quarters
14 immediately preceding the computation date and reported to the
15 department by the cut-off date; (iv) a cumulative total of taxable
16 payrolls consisting of the employer's taxable payroll plus the taxable
17 payrolls of all other employers preceding him or her in the array; and
18 (v) the percentage equivalent of the cumulative total of taxable
19 payrolls.

20 (d) Each employer in the array shall be assigned to one of twenty
21 rate classes according to the percentage intervals of cumulative
22 taxable payrolls set forth in (e) of this subsection: PROVIDED, That
23 if an employer's taxable payroll falls within two or more rate
24 classes, the employer and any other employer with the same benefit
25 ratio shall be assigned to the lowest rate class which includes any
26 portion of the employer's taxable payroll.

27 (e) Except as provided in RCW 50.29.026, the contribution rate for
28 each employer in the array shall be the rate specified in the
29 following tables for the rate class to which he or she has been
30 assigned, as determined under (d) of this subsection, within the tax
31 schedule which is to be in effect during the rate year:

32		
33	Percent of	Schedules of Contributions
34	Cumulative	Rates

Taxable Payrolls for Effective Tax Schedule

Rate

	From	To	Class	AA	A	B	C	D	E	F
1	0.00	5.00	1	0.470	0.470	0.570	0.971	1.471	1.872	2.47
2	5.01	10.00	2	0.470	0.470	0.771	1.171	1.672	2.072	2.67
3	10.01	15.00	3	0.570	0.570	0.971	1.371	1.772	2.272	2.87
4	15.01	20.00	4	0.570	0.731	1.111	1.511	1.902	2.402	2.98
5	20.01	25.00	5	0.720	0.921	1.301	1.702	2.092	2.593	3.08
6	25.01	30.00	6	0.911	1.111	1.491	1.892	2.292	2.693	3.18
7	30.01	35.00	7	1.001	1.291	1.692	2.082	2.482	2.883	3.27
8	35.01	40.00	8	1.191	1.481	1.882	2.272	2.673	3.073	3.47
9	40.01	45.00	9	1.371	1.672	2.072	2.472	2.873	3.273	3.66
10	45.01	50.00	10	1.561	1.862	2.262	2.663	3.063	3.463	3.86
11	50.01	55.00	11	1.842	2.142	2.542	2.943	3.343	3.743	4.15
12	55.01	60.00	12	2.032	2.332	2.732	3.133	3.533	3.933	4.34
13	60.01	65.00	13	2.222	2.522	2.922	3.323	3.723	4.123	4.54
14	65.01	70.00	14	2.402	2.713	3.023	3.423	3.824	4.224	4.64
15	70.01	75.00	15	2.682	2.993	3.303	3.704	4.104	4.504	4.94
16	75.01	80.00	16	2.873	3.183	3.493	3.894	4.294	4.694	5.14
17	80.01	85.00	17	3.273	3.583	3.893	4.294	4.694	5.094	5.54
18	85.01	90.00	18	3.673	3.983	4.293	4.694	5.094	5.494	5.94
19	90.01	95.00	19	4.074	4.384	4.694	5.094	5.494	5.894	6.34
20	95.01	100.00	20	5.405	5.405	5.405	5.405	5.405	5.405	5.40

(f) The contribution rate for each employer not qualified to be in the array shall be as follows:

(i) Employers who do not meet the definition of "qualified employer" by reason of failure to pay contributions when due shall be assigned a contribution rate two-tenths higher than that in rate class 20 for the applicable rate year, except employers who have an approved agency-deferred payment contract by September 30 of the previous rate year. If any employer with an approved agency-deferred payment contract fails to make any one of the succeeding deferred payments or fails to submit any succeeding tax report and payment in a timely

1 manner, the employer's tax rate shall immediately revert to a
2 contribution rate two-tenths higher than that in rate class 20 for the
3 applicable rate year; and

4 (ii) For all other employers not qualified to be in the array, the
5 contribution rate shall be a rate equal to the average industry rate
6 as determined by the commissioner; however, the rate may not be less
7 than one percent.

8 (2) (~~Beginning with~~) For contributions assessed for rate years
9 2005 through 2009, the contribution rate for each employer subject to
10 contributions under RCW 50.24.010 shall be the sum of the array
11 calculation factor rate and the graduated social cost factor rate
12 determined under this subsection, and the solvency surcharge
13 determined under RCW 50.29.041, if any.

14 (a) The array calculation factor rate shall be determined as
15 follows:

16 (i) An array shall be prepared, listing all qualified employers in
17 ascending order of their benefit ratios. The array shall show for
18 each qualified employer: (A) Identification number; (B) benefit
19 ratio; and (C) taxable payrolls for the four consecutive calendar
20 quarters immediately preceding the computation date and reported to
21 the employment security department by the cut-off date.

22 (ii) Each employer in the array shall be assigned to one of forty
23 rate classes according to his or her benefit ratio as follows, and,
24 except as provided in RCW 50.29.026, the array calculation factor rate
25 for each employer in the array shall be the rate specified in the rate
26 class to which the employer has been assigned:

27

	Benefit Ratio		Rate	Rate
	At least	Less	Class	(percent)
		than		
31		0.000001	1	0.00
32	0.000001	0.001250	2	0.13
33	0.001250	0.002500	3	0.25
34	0.002500	0.003750	4	0.38

1	0.003750	0.005000	5	0.50
2	0.005000	0.006250	6	0.63
3	0.006250	0.007500	7	0.75
4	0.007500	0.008750	8	0.88
5	0.008750	0.010000	9	1.00
6	0.010000	0.011250	10	1.15
7	0.011250	0.012500	11	1.30
8	0.012500	0.013750	12	1.45
9	0.013750	0.015000	13	1.60
10	0.015000	0.016250	14	1.75
11	0.016250	0.017500	15	1.90
12	0.017500	0.018750	16	2.05
13	0.018750	0.020000	17	2.20
14	0.020000	0.021250	18	2.35
15	0.021250	0.022500	19	2.50
16	0.022500	0.023750	20	2.65
17	0.023750	0.025000	21	2.80
18	0.025000	0.026250	22	2.95
19	0.026250	0.027500	23	3.10
20	0.027500	0.028750	24	3.25
21	0.028750	0.030000	25	3.40
22	0.030000	0.031250	26	3.55
23	0.031250	0.032500	27	3.70
24	0.032500	0.033750	28	3.85
25	0.033750	0.035000	29	4.00
26	0.035000	0.036250	30	4.15
27	0.036250	0.037500	31	4.30
28	0.037500	0.040000	32	4.45
29	0.040000	0.042500	33	4.60
30	0.042500	0.045000	34	4.75
31	0.045000	0.047500	35	4.90
32	0.047500	0.050000	36	5.05
33	0.050000	0.052500	37	5.20
34	0.052500	0.055000	38	5.30

1 0.055000 0.057500 39 5.35
2 0.057500 40 5.40

3 (b) The graduated social cost factor rate shall be determined as
4 follows:

5 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
6 the commissioner shall calculate the flat social cost factor for a
7 rate year by dividing the total social cost by the total taxable
8 payroll. The division shall be carried to the second decimal place
9 with the remaining fraction disregarded unless it amounts to five
10 hundredths or more, in which case the second decimal place shall be
11 rounded to the next higher digit. The flat social cost factor shall
12 be expressed as a percentage.

13 (B) If, on the cut-off date, the balance in the unemployment
14 compensation fund is determined by the commissioner to be an amount
15 that will provide more than ten months of unemployment benefits, the
16 commissioner shall calculate the flat social cost factor for the rate
17 year immediately following the cut-off date by reducing the total
18 social cost by the dollar amount that represents the number of months
19 for which the balance in the unemployment compensation fund on the
20 cut-off date will provide benefits above ten months and dividing the
21 result by the total taxable payroll. However, the calculation under
22 this subsection (2)(b)(i)(B) for a rate year may not result in a flat
23 social cost factor that is more than four-tenths lower than the
24 calculation under (b)(i)(A) of this subsection for that rate year.

25 For the purposes of this subsection, the commissioner shall
26 determine the number of months of unemployment benefits in the
27 unemployment compensation fund using the benefit cost rate for the
28 average of the three highest calendar benefit cost rates in the twenty
29 consecutive completed calendar years immediately preceding the cut-off
30 date or a period of consecutive calendar years immediately preceding
31 the cut-off date that includes three recessions, if longer.

32 (C) The minimum flat social cost factor calculated under this
33 subsection (2)(b) shall be six-tenths of one percent, except that if
34

1 the balance in the unemployment compensation fund is determined by the
2 commissioner to be an amount that will provide:

3 (I) At least twelve months but less than fourteen months of
4 unemployment benefits, the minimum shall be five-tenths of one
5 percent; or

6 (II) At least fourteen months of unemployment benefits, the
7 minimum shall be five-tenths of one percent, except that, for
8 employers in rate class 1, the minimum shall be forty-five hundredths
9 of one percent.

10 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the
11 graduated social cost factor rate for each employer in the array is
12 the flat social cost factor multiplied by the percentage specified as
13 follows for the rate class to which the employer has been assigned in
14 (a)(ii) of this subsection, except that the sum of an employer's array
15 calculation factor rate and the graduated social cost factor rate may
16 not exceed six and five-tenths percent or, for employers whose North
17 American industry classification system code is within "111," "112,"
18 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed six
19 percent through rate year 2007 and may not exceed five and seven-
20 tenths percent for rate year 2008 and thereafter:

21 (I) Rate class 1 - 78 percent;

22 (II) Rate class 2 - 82 percent;

23 (III) Rate class 3 - 86 percent;

24 (IV) Rate class 4 - 90 percent;

25 (V) Rate class 5 - 94 percent;

26 (VI) Rate class 6 - 98 percent;

27 (VII) Rate class 7 - 102 percent;

28 (VIII) Rate class 8 - 106 percent;

29 (IX) Rate class 9 - 110 percent;

30 (X) Rate class 10 - 114 percent;

31 (XI) Rate class 11 - 118 percent; and

32 (XII) Rate classes 12 through 40 - 120 percent.

33 (B) For contributions assessed beginning July 1, 2005, through
34 December 31, 2007, for employers whose North American industry

1 classification system code is "111," "112," "1141," "115," "3114,"
2 "3117," "42448," or "49312," the graduated social cost factor rate is
3 zero.

4 (iii) For the purposes of this section:

5 (A) "Total social cost" means the amount calculated by subtracting
6 the array calculation factor contributions paid by all employers with
7 respect to the four consecutive calendar quarters immediately
8 preceding the computation date and paid to the employment security
9 department by the cut-off date from the total unemployment benefits
10 paid to claimants in the same four consecutive calendar quarters. To
11 calculate the flat social cost factor for rate year 2005, the
12 commissioner shall calculate the total social cost using the array
13 calculation factor contributions that would have been required to be
14 paid by all employers in the calculation period if (a) of this
15 subsection had been in effect for the relevant period.

16 (B) "Total taxable payroll" means the total amount of wages
17 subject to tax, as determined under RCW 50.24.010, for all employers
18 in the four consecutive calendar quarters immediately preceding the
19 computation date and reported to the employment security department by
20 the cut-off date.

21 (c) For employers who do not meet the definition of "qualified
22 employer" by reason of failure to pay contributions when due:

23 (i) The array calculation factor rate shall be two-tenths higher
24 than that in rate class 40, except employers who have an approved
25 agency-deferred payment contract by September 30th of the previous
26 rate year. If any employer with an approved agency-deferred payment
27 contract fails to make any one of the succeeding deferred payments or
28 fails to submit any succeeding tax report and payment in a timely
29 manner, the employer's tax rate shall immediately revert to an array
30 calculation factor rate two-tenths higher than that in rate class 40;
31 and

32 (ii) The social cost factor rate shall be the social cost factor
33 rate assigned to rate class 40 under (b)(ii) of this subsection.

34 (d) For all other employers not qualified to be in the array:

1 (i) For rate years 2005, 2006, and 2007:

2 (A) The array calculation factor rate shall be a rate equal to the
3 average industry array calculation factor rate as determined by the
4 commissioner, plus fifteen percent of that amount; however, the rate
5 may not be less than one percent or more than the array calculation
6 factor rate in rate class 40; and

7 (B) The social cost factor rate shall be a rate equal to the
8 average industry social cost factor rate as determined by the
9 commissioner, plus fifteen percent of that amount, but not more than
10 the social cost factor rate assigned to rate class 40 under (b)(ii) of
11 this subsection.

12 (ii) Beginning with contributions assessed for rate year 2008:

13 (A) The array calculation factor rate shall be a rate equal to the
14 average industry array calculation factor rate as determined by the
15 commissioner, multiplied by the history factor, but not less than one
16 percent or more than the array calculation factor rate in rate class
17 40;

18 (B) The social cost factor rate shall be a rate equal to the
19 average industry social cost factor rate as determined by the
20 commissioner, multiplied by the history factor, but not more than the
21 social cost factor rate assigned to rate class 40 under (b)(ii) of
22 this subsection; and

23 (C) The history factor shall be based on the total amounts of
24 benefits charged and contributions paid in the three fiscal years
25 ending prior to the computation date by employers not qualified to be
26 in the array, other than employers in (c) of this subsection, who were
27 first subject to contributions in the calendar year ending three years
28 prior to the computation date. The commissioner shall calculate the
29 history ratio by dividing the total amount of benefits charged by the
30 total amount of contributions paid in this three-year period by these
31 employers. The division shall be carried to the second decimal place
32 with the remaining fraction disregarded unless it amounts to five
33 one-hundredths or more, in which case the second decimal place shall
34

1 be rounded to the next higher digit. The commissioner shall determine
 2 the history factor according to the history ratio as follows:

3
 4
 5
 6
 7
 8
 9
 10
 11
 12

	History Ratio	History Factor (percent)
	At least	Less than
(I)		.95 90
(II)	.95	1.05 100
(III)	1.05	115

13 (3) For contributions assessed for rate year 2010 and thereafter,
 14 the contribution rate for each employer subject to contributions under
 15 RCW 50.24.010 shall be the sum of the array calculation factor rate
 16 and the solvency surcharge determined under RCW 50.29.041, if any.

17 (a) The array calculation factor rate shall be determined as
 18 follows:

19 (i) An array shall be prepared, listing all qualified employers in
 20 ascending order of their benefit ratios. The array shall show for
 21 each qualified employer: (A) Identification number; (B) benefit
 22 ratio; and (C) taxable payrolls for the four consecutive calendar
 23 quarters immediately preceding the computation date and reported to
 24 the employment security department by the cut-off date.

25 (ii) Each employer in the array shall be assigned to one of forty
 26 rate classes according to his or her benefit ratio as follows, and,
 27 except as provided in RCW 50.29.026, the array calculation factor rate
 28 for each employer in the array shall be the rate specified in the rate
 29 class to which the employer has been assigned:

30
 31
 32
 33
 34

<u>Benefit Ratio</u>	<u>Rate</u>	<u>Rate</u>
<u>At least</u> <u>Less</u>	<u>Class</u>	<u>(percent)</u>
<u>than</u>		
<u>0.000001</u>	<u>1</u>	<u>0.00</u>

1	<u>0.000001</u>	<u>0.001250</u>	<u>2</u>	<u>0.09</u>
2	<u>0.001250</u>	<u>0.002500</u>	<u>3</u>	<u>0.18</u>
3	<u>0.002500</u>	<u>0.003750</u>	<u>4</u>	<u>0.28</u>
4	<u>0.003750</u>	<u>0.005000</u>	<u>5</u>	<u>0.37</u>
5	<u>0.005000</u>	<u>0.006250</u>	<u>6</u>	<u>0.46</u>
6	<u>0.006250</u>	<u>0.007500</u>	<u>7</u>	<u>0.55</u>
7	<u>0.007500</u>	<u>0.008750</u>	<u>8</u>	<u>0.64</u>
8	<u>0.008750</u>	<u>0.010000</u>	<u>9</u>	<u>0.74</u>
9	<u>0.010000</u>	<u>0.011250</u>	<u>10</u>	<u>0.83</u>
10	<u>0.011250</u>	<u>0.012500</u>	<u>11</u>	<u>0.92</u>
11	<u>0.012500</u>	<u>0.013750</u>	<u>12</u>	<u>1.01</u>
12	<u>0.013750</u>	<u>0.015000</u>	<u>13</u>	<u>1.11</u>
13	<u>0.015000</u>	<u>0.016250</u>	<u>14</u>	<u>1.20</u>
14	<u>0.016250</u>	<u>0.017500</u>	<u>15</u>	<u>1.29</u>
15	<u>0.017500</u>	<u>0.018750</u>	<u>16</u>	<u>1.38</u>
16	<u>0.018750</u>	<u>0.020000</u>	<u>17</u>	<u>1.47</u>
17	<u>0.020000</u>	<u>0.021250</u>	<u>18</u>	<u>1.57</u>
18	<u>0.021250</u>	<u>0.022500</u>	<u>19</u>	<u>1.66</u>
19	<u>0.022500</u>	<u>0.023750</u>	<u>20</u>	<u>1.75</u>
20	<u>0.023750</u>	<u>0.025000</u>	<u>21</u>	<u>1.84</u>
21	<u>0.025000</u>	<u>0.026250</u>	<u>22</u>	<u>1.93</u>
22	<u>0.026250</u>	<u>0.027500</u>	<u>23</u>	<u>2.03</u>
23	<u>0.027500</u>	<u>0.028750</u>	<u>24</u>	<u>2.12</u>
24	<u>0.028750</u>	<u>0.030000</u>	<u>25</u>	<u>2.21</u>
25	<u>0.030000</u>	<u>0.031250</u>	<u>26</u>	<u>2.30</u>
26	<u>0.031250</u>	<u>0.032500</u>	<u>27</u>	<u>2.39</u>
27	<u>0.032500</u>	<u>0.033750</u>	<u>28</u>	<u>2.49</u>
28	<u>0.033750</u>	<u>0.035000</u>	<u>29</u>	<u>2.58</u>
29	<u>0.035000</u>	<u>0.036250</u>	<u>30</u>	<u>2.67</u>
30	<u>0.036250</u>	<u>0.037500</u>	<u>31</u>	<u>2.76</u>
31	<u>0.037500</u>	<u>0.040000</u>	<u>32</u>	<u>2.86</u>
32	<u>0.040000</u>	<u>0.042500</u>	<u>33</u>	<u>2.95</u>
33	<u>0.042500</u>	<u>0.045000</u>	<u>34</u>	<u>3.04</u>
34	<u>0.045000</u>	<u>0.047500</u>	<u>35</u>	<u>3.13</u>

1	<u>0.047500</u>	<u>0.050000</u>	<u>36</u>	<u>3.22</u>
2	<u>0.050000</u>	<u>0.052500</u>	<u>37</u>	<u>3.32</u>
3	<u>0.052500</u>	<u>0.055000</u>	<u>38</u>	<u>3.41</u>
4	<u>0.055000</u>	<u>0.057500</u>	<u>39</u>	<u>3.50</u>
5	<u>0.057500</u>		<u>40</u>	<u>5.40</u>

6
7 (iii) Each employer may deduct from the pay of each individual ten
8 percent of the amount of contributions that may be attributed to that
9 individual's employment.

10 (b) On the fifteenth day of the first month of each calendar
11 quarter, an amount equaling twenty-five percent of the total social
12 cost shall be transferred from the general fund into the unemployment
13 compensation fund. The maximum amount of the total social cost
14 transfer in any rate year shall be two and five-tenths percent of the
15 taxable wage base. Before January 1, 2011, adjustments to the maximum
16 amount of the total social cost transfer are prohibited, except as
17 specifically authorized upon the affirmative vote of sixty percent of
18 the members of each house of the legislature. For the purposes of
19 this section, "total social cost" means the amount calculated by
20 subtracting the array calculation factor contributions paid by all
21 employers with respect to the four consecutive calendar quarters
22 immediately preceding the computation date and paid to the employment
23 security department by the cut-off date from the total unemployment
24 benefits paid to claimants in the same four consecutive calendar
25 quarters.

26 (c) For employers who do not meet the definition of "qualified
27 employer" by reason of failure to pay contributions when due:

28 (i) The array calculation factor rate shall be two-tenths higher
29 than that in rate class 40, except employers who have an approved
30 agency-deferred payment contract by September 30th of the previous
31 rate year. If any employer with an approved agency-deferred payment
32 contract fails to make any one of the succeeding deferred payments or
33 fails to submit any succeeding tax report and payment in a timely
34

1 manner, the employer's tax rate shall immediately revert to an array
2 calculation factor rate two-tenths higher than that in rate class 40.

3 (d) For all other employers not qualified to be in the array, the
4 contribution rate shall be the contribution rate specified in this
5 subsection, but not less than one percent:

6 (i) In the first two consecutive rate years in which an employer
7 is not qualified, the array calculation factor rate shall be a rate
8 equal to fifty percent of the average industry array calculation
9 factor rate as determined by the commissioner;

10 (ii) In the second two consecutive rate years in which an employer
11 is not qualified , the array calculation factor rate shall be a rate
12 equal to seventy-five percent of the average industry array
13 calculation factor rate as determined by the commissioner.

14 (4) Assignment of employers by the commissioner to industrial
15 classification, for purposes of this section, shall be in accordance
16 with established classification practices found ((in the "Standard
17 Industrial Classification Manual" issued by the federal office of
18 management and budget to the third digit provided in the standard
19 industrial classification code, or)) in the North American industry
20 classification system code.

21
22 NEW SECTION. Sec. 10. A new section is added to chapter 82.04 RCW
23 to read as follows:

24 B&O TAX CREDIT. (1) In computing the tax imposed under this
25 chapter, a credit is allowed for eighty-five percent of
26 contributions paid under chapter 50.24 RCW for the prior rate year.

27 (2) Credit under this section may be claimed against taxes due
28 under this chapter for any tax reporting period by the person claiming
29 credit under this section. The credit may not exceed the tax otherwise
30 due under this chapter for the tax reporting period. Unused credit may
31 be carried over and used in subsequent tax reporting periods. No
32 refunds shall be granted for credits under this section.

33 (3) This section applies to tax reports due on or after January 1,
34 2011.

1 **Sec. 11.** RCW 50.29.062 and 2006 c 47 s 2 are each amended to read
2 as follows:

3 SUCCESSOR RATES. Except as provided in RCW 50.29.063, predecessor
4 and successor employer contribution rates shall be computed in the
5 following manner:

6 (1) If the successor is an employer, as defined in RCW 50.04.080,
7 at the time of the transfer of a business, the following applies:

8 (a) The successor's contribution rate shall remain unchanged for
9 the remainder of the rate year in which the transfer occurs; and

10 (b) Beginning January 1st following the transfer, the successor's
11 contribution rate for each rate year shall be based on a combination
12 of the following:

13 (i) The successor's experience with payrolls and benefits; and

14 (ii) Any experience assigned to the predecessor involved in the
15 transfer. If only a portion of the business was transferred, then the
16 experience attributable to the acquired portion is assigned to the
17 successor.

18 (2) If the successor is not an employer at the time of the
19 transfer, the following applies:

20 (a) For transfers before January 1, 2005:

21 (i) Except as provided in (ii) of this subsection (2)(a), the
22 successor shall pay contributions at the lowest rate determined under
23 either of the following:

24 (A) The contribution rate of the rate class assigned to the
25 predecessor employer at the time of the transfer for the remainder of
26 that rate year. Any experience relating to the assignment of that
27 rate class attributable to the predecessor is transferred to the
28 successor. Beginning with the January 1st following the transfer, the
29 successor's contribution rate shall be based on a combination of the
30 transferred experience of the acquired business and the successor's
31 experience after the transfer; or

32 (B) The contribution rate equal to the average industry rate as
33 determined by the commissioner, but not less than one percent, and
34 continuing until the successor qualifies for a different rate in its

1 own right. Assignment of employers by the commissioner to industrial
2 classification, for purposes of this subsection, must be in accordance
3 with established classification practices found in the North American
4 industry classification system issued by the federal office of
5 management and budget to the fourth digit provided in the North
6 American industry classification system.

7 (ii) If the successor simultaneously acquires the business or a
8 portion of the business of two or more employers in different rate
9 classes, its rate from the date the transfer occurred until the end of
10 that rate year and until it qualifies in its own right for a new rate,
11 shall be the rate of the highest rate class applicable at the time of
12 the acquisition to any predecessor employer who is a party to the
13 acquisition, but not less than one percent.

14 (b) For transfers on or after January 1, 2005:

15 (i) Except as provided in (ii) and (iii) of this subsection
16 (2)(b), the successor shall pay contributions:

17 (A) At the contribution rate assigned to the predecessor employer
18 at the time of the transfer and not the new employer rate for the
19 remainder of that rate year, so long as the successor retains at least
20 sixty percent of the predecessor's employees. Any experience
21 attributable to the predecessor relating to the assignment of the
22 predecessor's rate class is transferred to the successor.

23 (B) Beginning January 1st following the transfer, the successor's
24 contribution rate for each rate year shall be based on an array
25 calculation factor rate that is a combination of the following: The
26 successor's experience with payrolls and benefits; and any experience
27 assigned to the predecessor involved in the transfer. If only a
28 portion of the business was transferred, then the experience
29 attributable to the acquired portion is assigned to the successor if
30 qualified under RCW 50.29.010(6) by including the transferred
31 experience. If not qualified under RCW 50.29.010(6), the contribution
32 rate shall equal the sum of the rates determined by the commissioner
33 under RCW 50.29.025(2) (~~((c)(ii) and (d)(ii))~~) (d)(i), and 50.29.041,

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1 if applicable, and continuing until the successor qualifies for a
2 different rate, including the transferred experience.

3 (ii) If there is a substantial continuity of ownership, control,
4 or management by the successor of the business of the predecessor, the
5 successor shall pay contributions at the contribution rate determined
6 for the predecessor employer at the time of the transfer for the
7 remainder of that rate year. Any experience attributable to the
8 predecessor relating to the assignment of the predecessor's rate class
9 is transferred to the successor. Beginning January 1st following the
10 transfer, the successor's array calculation factor rate shall be based
11 on a combination of the transferred experience of the acquired
12 business and the successor's experience after the transfer.

13 (iii) If the successor simultaneously acquires the business or a
14 portion of the business of two or more employers with different
15 contribution rates, the successor's rate from the date the transfer
16 occurred until the end of that rate year and until it qualifies in its
17 own right for a new rate, shall be the sum of the rates determined by
18 the commissioner under RCW 50.29.025(2) (a) and (b), and 50.29.041,
19 applicable at the time of the acquisition, to the predecessor employer
20 who, among the parties to the acquisition, had the largest total
21 payroll in the completed calendar quarter immediately preceding the
22 date of transfer, but not less than the sum of the rates determined by
23 the commissioner under RCW 50.29.025(2) (~~((c)(ii) and (d)(ii))~~)
24 (d)(i), and 50.29.041, if applicable.

25 (3) With respect to predecessor employers:

26 (a) The contribution rate on any payroll retained by a predecessor
27 employer shall remain unchanged for the remainder of the rate year in
28 which the transfer occurs.

29 (b) In all cases, beginning January 1st following the transfer,
30 the predecessor's contribution rate or the predecessor's array
31 calculation factor for each rate year shall be based on its experience
32 with payrolls and benefits as of the regular computation date for that
33 rate year excluding the experience of the transferred business or
34 transferred portion of business as that experience has transferred to

1 the successor: PROVIDED, That if all of the predecessor's business is
2 transferred to a successor or successors, the predecessor shall not be
3 a qualified employer until it satisfies the requirements of a
4 "qualified employer" as set forth in RCW 50.29.010.

5 (4) For purposes of this section, "transfer of a business" means
6 the same as RCW 50.29.063(4)(c).

7
8 **Sec. 12.** RCW 50.16.010 and 2008 c 329 s 915 are each amended to
9 read as follows:

10 FUNDS. (1) There shall be maintained as special funds, separate
11 and apart from all public moneys or funds of this state an
12 unemployment compensation fund, an administrative contingency fund,
13 and a federal interest payment fund, which shall be administered by
14 the commissioner exclusively for the purposes of this title, and to
15 which RCW 43.01.050 shall not be applicable.

16 (2)(a) The unemployment compensation fund shall consist of:

17 (i) All contributions collected under RCW 50.24.010 and payments
18 in lieu of contributions collected pursuant to the provisions of this
19 title;

20 (ii) All amounts transferred from the general fund to the account
21 pursuant to RCW 50.29.025;

22 (iii) Any property or securities acquired through the use of
23 moneys belonging to the fund;

24 ~~((iii))~~ (iv) All earnings of such property or securities;

25 ~~((iv))~~ (v) Any moneys received from the federal unemployment
26 account in the unemployment trust fund in accordance with Title XII of
27 the social security act, as amended;

28 ~~((v))~~ (vi) All money recovered on official bonds for losses
29 sustained by the fund;

30 ~~((vi))~~ (vii) All money credited to this state's account in the
31 unemployment trust fund pursuant to section 903 of the social security
32 act, as amended;

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1 (~~(vii)~~) (viii) All money received from the federal government as
2 reimbursement pursuant to section 204 of the federal-state extended
3 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304); and

4 (~~(viii)~~) (ix) All moneys received for the fund from any other
5 source.

6 (b) All moneys in the unemployment compensation fund shall be
7 commingled and undivided.

8 (3)(a) Except as provided in (b) of this subsection, the
9 administrative contingency fund shall consist of:

10 (i) All interest on delinquent contributions collected pursuant to
11 this title;

12 (ii) All fines and penalties collected pursuant to the provisions
13 of this title;

14 (iii) All sums recovered on official bonds for losses sustained by
15 the fund; and

16 (iv) Revenue received under RCW 50.24.014.

17 (b) All fees, fines, forfeitures, and penalties collected or
18 assessed by a district court because of the violation of this title or
19 rules adopted under this title shall be remitted as provided in
20 chapter 3.62 RCW.

21 (c) During the 2007-2009 biennium, moneys available in the
22 administrative contingency fund, other than money in the special
23 account created under RCW 50.24.014(1)(a), shall be expended as
24 appropriated by the legislature for the (i) cost of the job skills
25 program at the community and technical colleges, and (ii) reemployment
26 services such as business and project development assistance, local
27 economic development capacity building, and local economic development
28 financial assistance at the department of community, trade, and
29 economic development, and the remaining appropriation upon the
30 direction of the commissioner, with the approval of the governor,
31 whenever it appears to him or her that such expenditure is necessary
32 solely for:

33 (i) The proper administration of this title and that insufficient
34 federal funds are available for the specific purpose to which such

1 expenditure is to be made, provided, the moneys are not substituted
2 for appropriations from federal funds which, in the absence of such
3 moneys, would be made available.

4 (ii) The proper administration of this title for which purpose
5 appropriations from federal funds have been requested but not yet
6 received, provided, the administrative contingency fund will be
7 reimbursed upon receipt of the requested federal appropriation.

8 (iii) The proper administration of this title for which compliance
9 and audit issues have been identified that establish federal claims
10 requiring the expenditure of state resources in resolution. Claims
11 must be resolved in the following priority: First priority is to
12 provide services to eligible participants within the state; second
13 priority is to provide substitute services or program support; and
14 last priority is the direct payment of funds to the federal
15 government.

16 Money in the special account created under RCW 50.24.014(1)(a) may
17 only be expended, after appropriation, for the purposes specified in
18 this section and RCW 50.62.010, 50.62.020, 50.62.030, 50.24.014,
19 50.44.053, and 50.22.010.

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21 **PART III - RENT SUBSIDIES AND MORTGAGE ASSISTANCE**

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Sec. 13. RCW 43.185.050 and 2006 c 371 s 236 are each amended to
24 read as follows:

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HOUSING ASSISTANCE ACCOUNT. (1) The department shall use moneys
from the housing trust fund and other legislative appropriations to
finance in whole or in part any loans or grant projects that will
provide housing for persons and families with special housing needs
and with incomes at or below fifty percent of the median family income
for the county or standard metropolitan statistical area where the
project is located. At least thirty percent of these moneys used in
any given funding cycle shall be for the benefit of projects located
in rural areas of the state as defined by the department. If the
department determines that it has not received an adequate number of

1 suitable applications for rural projects during any given funding
2 cycle, the department may allocate unused moneys for projects in
3 nonrural areas of the state.

4 (2) Activities eligible for assistance from the housing trust fund
5 and other legislative appropriations include, but are not limited to:

6 (a) New construction, rehabilitation, or acquisition of low and
7 very low-income housing units;

8 (b) Rent subsidies, including rent subsidy programs that give
9 preference to individuals receiving unemployment benefits under title
10 50 RCW, who earned wages in employment in not less than one thousand
11 three hundred hours of each of the past three calendar years, and
12 whose income is less than two hundred percent of the federal poverty
13 level as adjusted for family size and determined annually by the
14 federal department of health and human services;

15 (c) Matching funds for social services directly related to
16 providing housing for special-need tenants in assisted projects;

17 (d) Technical assistance, design and finance services and
18 consultation, and administrative costs for eligible nonprofit
19 community or neighborhood-based organizations;

20 (e) Administrative costs for housing assistance groups or
21 organizations when such grant or loan will substantially increase the
22 recipient's access to housing funds other than those available under
23 this chapter;

24 (f) Shelters and related services for the homeless, including
25 emergency shelters and overnight youth shelters;

26 (g) Mortgage subsidies, including temporary rental and mortgage
27 payment subsidies to prevent homelessness, and mortgage subsidy
28 programs that give preference to individuals receiving unemployment
29 benefits under title 50 RCW, who earned wages in employment in not
30 less than one thousand three hundred hours of each of the past three
31 calendar years, and whose income is less than two hundred percent of
32 the federal poverty level as adjusted for family size and determined
33 annually by the federal department of health and human services;

34

1 (h) Mortgage insurance guarantee or payments for eligible
2 projects;

3 (i) Down payment or closing cost assistance for eligible first-
4 time home buyers;

5 (j) Acquisition of housing units for the purpose of preservation
6 as low-income or very low-income housing;

7 (k) Projects making housing more accessible to families with
8 members who have disabilities; and

9 (l) During the 2005-2007 fiscal biennium, a manufactured/mobile
10 home landlord-tenant ombudsman conflict resolution and park
11 registration program.

12 (3) During the 2005-2007 fiscal biennium, revenues generated under
13 RCW 36.22.178 may be used for the development of affordable housing
14 projects and other activities funded in section 108, chapter 371, Laws
15 of 2006.

16 (4) Legislative appropriations from capital bond proceeds may be
17 used only for the costs of projects authorized under subsection
18 (2)(a), (i), and (j) of this section, and not for the administrative
19 costs of the department.

20 (5) Moneys from repayment of loans from appropriations from
21 capital bond proceeds may be used for all activities necessary for the
22 proper functioning of the housing assistance program except for
23 activities authorized under subsection (2)(b) and (c) of this section.

24 (6) Administrative costs of the department shall not exceed five
25 percent of the annual funds available for the housing assistance
26 program.

27

28 **Sec. 14.** RCW 43.185A.030 and 2005 c 518 s 1803 are each reenacted
29 amended to read as follows:

30 AFFORDABLE HOUSING PROGRAM. (1) Using moneys specifically
31 appropriated for such purpose, the department shall finance in whole
32 or in part projects that will provide housing for low-income
33 households.

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1 (2) Activities eligible for assistance include, but are not
2 limited to:

3 (a) New construction, rehabilitation, or acquisition of housing
4 for low-income households;

5 (b) Rent subsidies in new construction or rehabilitated
6 multifamily units, including rent subsidy programs that give
7 preference to individuals receiving unemployment benefits under title
8 50 RCW, who earned wages in employment in not less than one thousand
9 three hundred hours of each of the past three calendar years, and
10 whose income is less than two hundred percent of the federal poverty
11 level as adjusted for family size and determined annually by the
12 federal department of health and human services;

13 (c) Down payment or closing costs assistance for first-time home
14 buyers;

15 (d) Mortgage subsidies for new construction or rehabilitation of
16 eligible multifamily units, including mortgage subsidy programs that
17 give preference to individuals receiving unemployment benefits under
18 title 50 RCW, who earned wages in employment in not less than one
19 thousand three hundred hours of each of the past three calendar years,
20 and whose income is less than two hundred percent of the federal
21 poverty level as adjusted for family size and determined annually by
22 the federal department of health and human services; and

23 (e) Mortgage insurance guarantee or payments for eligible
24 projects.

25 (3) Legislative appropriations from capital bond proceeds may be
26 used only for the costs of projects authorized under subsection (2)
27 (a), (c), (d), and (e) of this section, and not for the administrative
28 costs of the department.

29 (4) Moneys from repayment of loans from appropriations from
30 capital bond proceeds may be used for all activities necessary for the
31 proper functioning of the affordable housing program except for
32 activities authorized under subsection (2)(b) of this section.

33 (5) Administrative costs of the department shall not exceed four
34 percent of the annual funds available for the affordable housing

1 program, except in fiscal year 2005 when administrative costs shall
2 not exceed five percent.

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PART IV - MISCELLANEOUS

6

7 NEW SECTION. **Sec. 15.** FEDERAL SEVERABILITY. If any part of this
8 act is found to be in conflict with federal requirements that are a
9 prescribed condition to the allocation of federal funds to the state
10 or the eligibility of employers in this state for federal unemployment
11 tax credits, the conflicting part of this act is inoperative solely to
12 the extent of the conflict, and the finding or determination does not
13 affect the operation of the remainder of this act. Rules adopted
14 under this act must meet federal requirements that are a necessary
15 condition to the receipt of federal funds by the state or the granting
16 of federal unemployment tax credits to employers in this state.

17

18 NEW SECTION. **Sec. 16.** STATE SEVERABILITY. If any provision of
19 this act or its application to any person or circumstance is held
20 invalid, the remainder of the act or the application of the provision
21 to other persons or circumstances is not affected.

22

23

24 NEW SECTION. **Sec. 17.** DISCLAIMER. As used in this act, part
25 headings and captions constitute no part of the law."

26

27 Correct the title.

29

EFFECT:

BENEFITS

30

33

- Requires that an individual work 1,300 hours (instead of 680 hours) in his or her base year to be eligible for benefits.

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- 1 ▪ Makes the subsection requiring dissolution of the corporation
2 or resignation of the officer for the officer to be
3 "unemployed" inapplicable to officers of corporations with less
4 than \$2.5 million in annual revenues.
- 5 ▪ Requires the Employment Security Department to verify that an
6 individual is eligible to work in the U.S. and has a Social
7 Security account number before the individual receives
8 unemployment benefits.
- 9 ▪ Disqualifies individuals who left work voluntarily, regardless
10 of whether or not they had cause, from receiving benefits.
- 11 ▪ Requires, for individuals who are discharged for gross
12 misconduct, that all hourly wage credits or 1,300 hours
13 (instead of 680 hours) of wage credits, whichever is greater,
14 be canceled.
- 15 ▪ Changes the maximum amount of benefits payable to one-third of
16 base year wages, but in no case more than \$50,000 (instead of
17 one-third of base year wages or 26 times the weekly benefit
18 amount, whichever is less).
- 19 ▪ Changes the weekly benefit amount to: (1) for the first 9
20 weeks, 5 percent of average quarterly wages in the two quarters
21 in which wages are highest; (2) for the next 9 weeks, 3
22 percent; and (3) for the remaining 8 week, 1 percent.
- 23 ▪ Changes the maximum amount payable weekly to: (1) for the first
24 9 weeks, \$1,875; (2) for the next 9 weeks, \$1,125; and (3) for
25 the remaining 8 weeks, \$375.
- 26 ▪ Changes the minimum amount payable weekly to 125 percent of the
27 federal poverty level.
- 28 ▪ Modifies deadlines for participation in the training benefits.
29 Individuals must submit training programs within 90 days
30 (instead of within 60 days), and enter training programs as
31 soon as they are available, but not later than the academic
32 term beginning after their program is approved (instead of
33 within 90 days).

FINANCING

- 34 ▪ Specifies that noncharging of the difference between "pay at 2"
35 and "pay at 4" does not apply for rate year 2010 and
36 thereafter.
- 37 ▪ Modifies array calculation factor rates. For rate classes 1
38 through 39, rates range from 0.0 percent to 3.5 percent

1 (instead of from 0.0 percent to 5.35 percent). For rate class
2 40, rate remains at 5.40 percent.

- 3 ■ Allows, but does not require, employers to deduct 10 percent of
4 contributions that may be attributed to an individual's
5 employment from that individual's pay.
- 6 ■ Requires that amounts equal to 25 percent of total social costs
7 be transferred from the General Fund to the Unemployment
8 Compensation Fund each quarter. Caps the total social cost
9 transfer in any year at 2.5 percent of the taxable wage base.
10 Requires, before January 1, 2011, approval of 60 percent of the
11 members of each house of the Legislature to change the cap.
- 12 ■ Changes new employer contribution rates to 50 percent of
13 average industry rates in the first two rate years, and 75
14 percent in the next two years.
- 15 ■ Authorizes a B&O tax credit equal to 85 percent of unemployment
16 contributions. Allows unused credit to be carried over.
Prohibits refunds.
- Specifies that successors may retain predecessor contribution
rates only if they retain 60 percent of the employees.

RENT SUBSIDIES AND MORTGAGE ASSISTANCE

- 19 ■ Specifies that, under the Housing Assistance Account and the
20 Affordable Housing Program, eligible rent subsidy and mortgage
21 assistance programs include ones that give preference to
22 individuals receiving unemployment benefits, who worked 1,300
hours in each of the past 3 years, and whose income is less
than 200 percent of the federal poverty level.

--- END ---